ISSUED BY THE COMMONWEALTH

CONSULTATIVE COMMITTEE ON SOUTH AND SOUTH-EAST ASIA

ON WHICH ARE REPRESENTED THE GOVERNMENTS OF

AUSTRALIA

CANADA

CEYLON

INDIA

NEW ZEALAND

PAKISTAN

THE UNITED KINGDOM

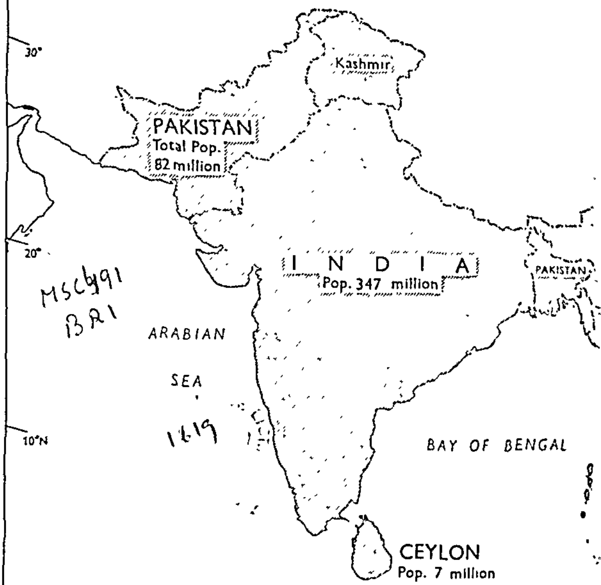
TEXT WRITTEN BY THE ECONOMIC INFORMATION UNIT

OF THE UNITED KINGDOM TREASURY

PREPARED BY THE CENTRAL OFFICE OF INFORMATION

New Horizons in the East

THE COLOMBO PLAN
FOR CO-OPERATIVE ECONOMIC
DEVELOPMENT IN
SOUTH AND SOUTH-EAST ASIA



0°

INDIAN

MAIN EXPORTS OF THE AREA

- Almost all the world's JUTE
- Almost all the world's RUBBER
- More than ¾ of the world's TEA
- ⅔ of the world's TIN
- ⅓ of the world's OILS & FATS

10°S

70° 80°

THE COUNTRIES OF SOUTH AND SOUTH-EAST ASIA

Countries of South and South East Asia are tinted grey

Commonwealth countries are shown thus

MILES

0 200 400 600 800

100° 110° 120° 130°

30°

20°

:URMA
op.17million

Laos

THAILAND
Pop. 18 million

Cambodia

Viet Nam

INDO-CHINA
Pop. 27 million

10°N

NORTH BORNEO

Pop 1 million

BRUNEI

SARAWAK

FEDERATION OF MALAYA
Pop 5 million

SINGAPORE
Pop. 1 million

0°

OCEAN

INDONESIA
Pop 76 million

10°S

100° 110° 120°E

CONTENTS

With charts, maps, and 16 plates

EXCHANGE RATES USED

	£1 Sterling	$ U.S.1
Rupees (Rs) India and Ceylon :	13·33	4·77
Rupees (Rs) Pakistan :	9·27	3·32
Malayan Dollars (M$) ·	8·57	3·06

ABBREVIATIONS

Malaya——Federation of Malaya and Singapore
British Borneo——North Borneo, Brunei and Sarawak

WHAT THIS BOOK IS ABOUT

This book is based on a Report prepared at a meeting of Commonwealth Governments in London in September 1950. The Governments represented at the meeting were Australia, Canada, Ceylon, India, New Zealand, Pakistan and the United Kingdom. The main Report has been issued with the authority of these Governments and has been published under the title: *The Colombo Plan for Co-operative Economic Development in South and South-East Asia*. Its treatment of the problem is necessarily technical. This book aims at presenting the subject matter of the Report in a shorter and simpler form.

Both the main Report and this book deal with the whole of South and South-East Asia, and not merely with the Commonwealth countries. The Governments of the Commonwealth countries in the area have, however, supplied most of the detailed information used in the Report. These countries are India, Pakistan, Ceylon, the Federation of Malaya, Singapore, North Borneo, Sarawak and Brunei.

Also included in South and South-East Asia are the following non-Commonwealth countries: Burma, Thailand, Indonesia and the three Associate States of Cambodia, Laos and Viet-Nam in Indo-China. These countries are faced by problems very similar to those which face the Commonwealth countries in the area, and it is hoped that they will decide to join in the co-operative work of the Colombo Plan.

The Problem

This book is about the peoples of South and South-East Asia, and about what they are doing to open up the great resources of their countries, so as to relieve the poverty and hardship which have been their lot for countless generations. Here is an area containing one-quarter of the world's population, rich in natural wealth, yet little touched by the revolution in methods of production which in 150 years has so transformed the face of the western world. It presents a tremendous opportunity for development—and a tremendous need.

THE STANDARD OF LIFE IS LOW

There are over 570 million people living in the area—for the most part hard-working men and women of simple dignity and faith. Many of them are skilled in craftsmanship and in fashioning lovely things with their hands. They have inherited ancient cultures and philosophies, and their forefathers were creating beautiful works of art at a time when many Western countries were peopled only by primitive savages. But no man can give of his best or enjoy life to the full when his stomach is empty and his body weakened by disease, and that is the condition of millions in South and South-East Asia today.

The great majority live in villages and depend for a livelihood on the land. But not enough land is being cultivated to support so many millions, and those who work it are not trained and equipped to get the best out of the soil. As a result food is scarce and lacking in variety. The ordinary diet of most of the people in the area is mainly cereals, pulses and other starchy foods which do not provide the fats and proteins for proper nutrition. A man may get as little as 12 ounces of cereals a day; this is in fact the present ration in many Indian towns. Average food consumption over the area as a whole works out at well under 2,000 calories a day, compared with about 3,000 in Britain.

With clothing the position is no better. In Pakistan, for instance, people have to make do with 9 yards of cotton cloth per head a year—barely enough to make two garments, and this in a country where it is extremely hot in summer and cold in winter.

The peoples of South and South-East Asia have to live hard and many must die young. The proportion of babies who die during their first year is more than four times as high as in Britain, and average expectation of life at birth is less than half as long. Some eight people out of every ten are unable to read or write. Acute overcrowding exists in towns and villages alike, with a one- or two-roomed hut of mud or bamboo often serving the needs of a whole family—and sometimes of their animals as well.

WAR MADE THINGS WORSE

Living standards would have been low without the war, but the war has made things worse. Much was destroyed or damaged in the fighting, and under the Japanese occupation large areas of South-East Asia were plundered and left to go to waste. Railway tracks and engines were removed; rubber plantations and tea estates were overgrown by jungle; power-stations were driven without proper care. Enormous numbers of water-craft and working animals were destroyed by Japanese troops retreating before the Allies or through the looting of farms and plantations by starving refugees during the chaos which followed. Many of the leading citizens of the countries were murdered by the invader.

Losses were not confined to those parts of the area which were directly involved in the fighting. The Indian sub-continent served as the great Eastern base of the Allied armies, and its industries, ports and railways were seriously overworked, with the result that at the end of the war there were enormous arrears of repairs and maintenance to be made good.

The task of recovery was made more difficult by the political and social disturbances which occurred in many parts of the area after the war. The transfer of political power to the new Governments of India and Pakistan was carried out smoothly, but the partition of the country itself caused serious economic dislocation. In Malaya recovery has been hindered by terrorist activities, and there have also been grave troubles in Burma, Indo-China and Indonesia.

FAMINE NARROWLY AVERTED

As a result of the war less food is at present being grown in South and South-East Asia than before the war. Yet there are now ten mouths to feed where previously there were nine.

Rice is the main food of the peoples. Before the war India, Ceylon, Malaya and Indonesia all imported rice from overseas, and most of their imports came from Burma, Thailand and Indo-China. These three countries together exported over 5½ million tons in 1938. In 1946 their exports were down to under 1 million tons, and though there has since been some recovery, exports in 1950 are expected still to be less than half the pre-war amount.

The drop in rice supplies during the war was one of the main causes of the terrible famine in Bengal in 1943, in which well over a million people

are believed to have died. To prevent such a thing happening again, the International Emergency Food Council was set up after the war to allocate scarce foods according to need and to prevent world prices from being driven up by competition for the limited supplies available. The meagre allocations of rice were supplemented by large shipments of wheat from the United States, Australia and Canada, and special measures were taken by the countries of South and South-East Asia themselves to raise food output. As a result widespread starvation was averted.

SUPPORT FROM OUTSIDE

The countries of South and South-East Asia found after the war that they wanted to import very much more from abroad than they were able to pay for out of their own exports. Quite apart from emergency supplies of food and clothing, they were in greater need than ever of machinery, vehicles, iron and steel, and building materials with which to repair the ravages of war and rebuild their own production.

To help pay for these extra imports, India, Pakistan and Ceylon were able to draw upon the sterling funds which they had piled up in London during the war. Altogether they drew about £340 million in the four years 1946-9, and this enabled them to import one-quarter more goods during the period than they exported. £340 million was much less than these countries could have used, but even so it was a heavy burden on Britain, who in thus repaying part of her wartime debts had to supply goods out of her own limited production. She has been helped to do this by the generous gifts and loans which she herself has received since the war from the United States, Canada, Australia and New Zealand.

There are a number of other ways in which the countries of South and South-East Asia have received outside support since the war. Britain, for instance, has made loans and grants to Malaya and British Borneo up to a total of £95 million, of which half will have been spent by the end of March 1951. India has secured foreign exchange from the International Monetary Fund and has received loans for specific purposes from the International Bank. Britain, Australia, India, Pakistan and Ceylon have joined in making a loan of £6 million to Burma. India has made a loan to Thailand. Help has also come from the United Nations, the United States and other countries outside the area.

RECOVERY GETS UNDER WAY

For the most part, good progress had been made in restoring production in South and South-East Asia from the low levels to which it fell at the end of the war. This is shown by the table on the page opposite.

The degree of recovery has naturally varied from country to country. Rice production has been fully restored in Thailand, but not in Burma or Indo-China—and the consequent fall in exports from these last two countries has reduced the supplies available in other parts of South and South-East

PRODUCTION IN SOUTH AND SOUTH-EAST ASIA

(thousand tons)

	Pre-war	1946	1949
RICE (paddy)	70,990	64,987	70,117
OILS AND FATS	3,596	2,844*	3,174
SUGAR	6,223	5,789	6,200
JUTE	1,831	1,427	1,340
COTTON	1,132	759	606
RUBBER	864	754	1,397
TIN	116	15	94
PETROLEUM (crude) ...	7,960	444	9,034

*1947

Asia. Output of sugar is higher than before the war in India and Pakistan, but there has been a sharp fall in Indonesia, which used to be the world's second largest exporter. Jute and cotton are mainly produced in India and Pakistan, and both countries have found it necessary to reduce the area under cultivation in order to make room for food crops ; steps are now being taken to restore production. Production of tin has staged a remarkable recovery in Malaya and Indonesia, but in Burma and Thailand it remains very low. Oil production is nearly back to the pre-war level in Indonesia; in Brunei it has been greatly expanded since the war and is now more than five times as great as in 1938.

BUT THE REAL TASK HAS HARDLY BEGUN

Much has thus been done in the last five years to restore the war-shattered economies of South and South-East Asia, and the immediate post-war crisis has been surmounted. But the real task of development has hardly yet begun. For the problem before these countries is very different from that which Western Europe faced at the end of the war. Most of the European countries were already highly developed before the war, and it was mainly a question of restoring what the war had disrupted. The economies of South and South-East Asia on the other hand have never been highly developed, and a new structure has to be built almost from the ground up, so that the great wealth which they possess can be tapped for their benefit and that of the whole world. A stage has now been reached at which it is possible to plan ahead. The needs are great, time is short. The longer the necessary action is postponed, the greater the problem becomes.

THE POPULATION IS GROWING FAST

All over the area the populations are growing rapidly—growing by about 20,000 every day. One child in every three born into the world today is a child of South and South-East Asia. At this rate the present population

INDIA

AREA UNDER CULTIVATION

 FERTILISER

 TRACTORS



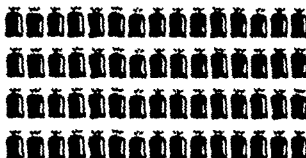
Wheat yield per acre one half of that in U.S.A.

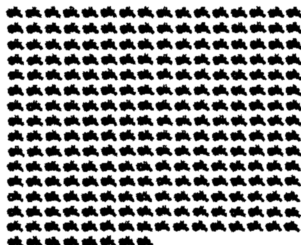


Cotton yield per acre one fifth of that in U.S.A.

U.S.A.

AREA UNDER CULTIVATION









WHAT MACHINES CAN DO

The area under cultivation in the United States is only about one-sixth larger than in India, yet the United States uses over sixty times as much fertiliser — more than 13,000,000 tons a year, compared with only 200,000 in India. The United States has nearly 2¼ million tractors, in India there are only about 10,000.

of 570 million will have increased to 720 million by 1970. That will mean an extra 150 million people to feed in less than twenty years, the equivalent of the whole population of the United States.

One reason for this startling increase is the lowering of the death-rate through improvements in public health. But in the long run experience suggests that a general improvement in living standards exercises a steadying influence on the rise in population. In some countries in the area the birth-rate of the middle classes is already declining; for instance, it has been found in East Bengal that the size of families tends to be smaller on holdings of ten acres than on those of five.

It is clear that a great expansion of agricultural and industrial production will be needed to provide for the increase in population, even without any improvement in the standard of living. There is evidence to show that output per head has actually declined over the past ten years; this trend must be reversed.

PRODUCTIVITY MUST BE INCREASED

In every country in the area over half the population depend on the land for their livelihood; in some the proportion is as high as 80 per cent. Agricultural productivity, however, is desperately low. Not only does each acre under cultivation have to support many times more people than in Western countries, but yields per acre are much lower. In India, for instance, the average yield of wheat is little over one-half what it is in the United States, the yield of cotton not much more than one-fifth. What is the reason for this great disparity?

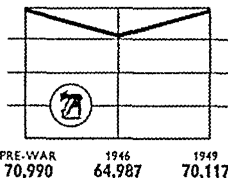
It may be explained in part by differences in soil fertility, and by the irregularity of the rainfall which complicates the task of cultivation in parts of South and South-East Asia. But there is more to it than that. The area under cultivation in the United States is only about one-sixth larger than in India, yet the United States uses over sixty times as much fertiliser—more than 13,000,000 tons a year, compared with only about 200,000 tons in India. The United States has nearly 2,500,000 tractors; in India there are only about 10,000.

Here surely is the real answer to our question. It is the application of modern tools and techniques which enables the farm worker in the United States to produce so much more per acre than the peasant in South and South-East Asia Power and machines are the key to plenty on the land—factories to make implements and fertilisers; machines to till the soil; dams to provide water for irrigation and to control the floods. The peoples of South and South-East Asia must have more of all these things if they are to win their fight against poverty. They must also develop their industries, particularly their cottage industries, so that a better balance may be achieved between industry and agriculture, and so that productive employment can be found for some of the many millions who are at present under-employed on the land.

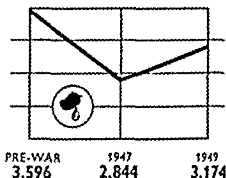
PRODUCTION SINCE THE WAR

ALL FIGURES IN THOUSANDS OF TONS

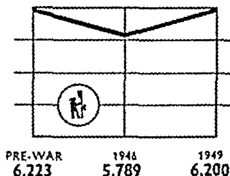
RICE



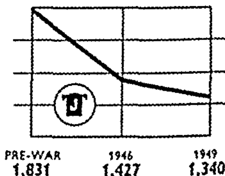
OILS & FATS



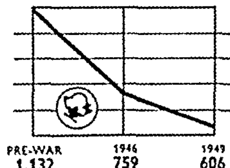
SUGAR



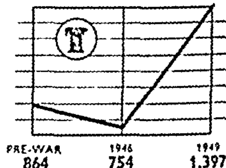
JUTE



COTTON



RUBBER





Growing rice in Ceylon. Small fields and lack of modern tools help to explain low productivity on the land—the basic problem of South and South-East Asia



Populations are growing faster than food supplies. This Chinese family in Malaya lives mainly on rice, which is the staple food of most of the people in the area



Workers taking a midday meal in the wheat-fields of Pakistan. Machines are few, fertilisers scarce. As a result, crop yields are far lower than in Western countries

Burmese peasants in the rice-fields. The drop in rice exports from Burma has meant less to eat in India, where the ration in many towns is now only 12 ounces a day

Taking a load of cotton to market. The great majority of the people of India live in villages, and the bullock-cart is still the usual means of transport



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Plucking tea in Ceylon. Tea exports have helped to bring wealth to the Island, and people are better off than in most parts of South and South-East Asia



Terraced fields in Indonesia. In some countries in the area as many as 8 people out of every 10 depend on the land for a living, and new industries are needed

The Approach

Poverty and hardship are no new problems in South and South-East Asia, but during the past five years there has been a great awakening among the peoples of the area. Independent Governments have come into being, supported by democratic institutions and resolved to work for the future welfare of their countries. These changes have aroused new hopes and expectations in the minds of the peoples, and the Governments have made a fresh approach to the whole problem of raising living standards through economic development.

A CASE FOR CO-OPERATION

At the same time, all over the free world, people have come increasingly to realise how vitally important it is that a really determined effort should be made to tackle this problem on a basis of international co-operation. It is important first and foremost because the well-being of one-quarter of mankind is directly affected. It is important too because stability in South and South-East Asia is essential to the cause of freedom. If these countries failed to maintain and strengthen their free institutions, it would be a grave blow to the chances of a peaceful and prosperous world.

Furthermore, the area plays a big part in world trade. Before the war it provided almost all the world's exports of jute and rubber, more than three-quarters of the tea, almost two-thirds of the tin, and one-third of the oils and fats. These key products have for generations flowed into the great trade routes, helping to sustain the industries of Europe and America. In exchange the countries of South and South-East Asia obtain from the West the industrial products which they so badly need—textiles, vehicles, machinery, iron and steel.

WORK WHICH GOVERNMENTS MUST UNDERTAKE

It is clear that the whole world stands to gain immensely from the further development of the natural resources of the countries of South and South-East Asia and from the growth of new knowledge and skills among their peoples.

Plucking tea in Ceylon. Tea exports have helped to bring wealth to the Island, and people are better off than in most parts of South and South-East Asia

Terraced fields in Indonesia. In some countries in the area as many as 8 people out of every 10 depend on the land for a living, and new industries are needed

It was with all these considerations in mind that Ministers of the Commonwealth countries, meeting at Colombo in January 1950, agreed that special attention was needed for the problems of South and South-East Asia and that these problems could not be solved by the countries of the area alone. The Commonwealth *Governments took the lead* because of their special ties with the area and because three-quarters of the people in the area live in Commonwealth countries. Later on it was hoped to *bring in the* other countries in the area and invite them to join on equal terms in any plan that might be worked out.

Colombo was the beginning of a great new venture in democratic planning. One of the results which has already taken shape is a scheme for technical co-operation in South and South-East Asia. *An acute shortage of* trained men *is one of the things which is doing* most to hold up economic progress in the area. There are not enough engineers, there are not enough agricultural experts, there are not enough doctors, there are not enough chemists. So the Commonwealth Governments decided to start a scheme at once under which the countries in the area would do what they could to assist one another in *providing* technicians and training facilities—and *Britain, Canada, Australia and New Zealand all promised to do their* best to help. It has been agreed that up to £8 million should be spent on this scheme over the next three years, and details have already been worked out.

REAL HOPE OF PROGRESS

Meanwhile the main job of drawing up a realistic plan of development for South and South-East Asia has gone ahead. Further meetings took place in Sydney in May and in London in September, and between these two meetings each of the Commonwealth countries in the area prepared a programme of economic development for the six years *beginning in July* 1951. Non-Commonwealth countries in the area were invited to join in and submit programmes. Thailand, Cambodia, Laos and Viet-Nam all sent delegates to London for a meeting with the Commonwealth countries at the end of the *September* conference; the Ambassadors of Burma and Indonesia were also present as observers. The only programmes considered in September were, however, those of India, Pakistan, Ceylon, the Federation of Malaya, Singapore, North Borneo and Sarawak.

The programmes show what determined efforts the Governments of these countries are making to develop their resources and to provide a better standard of living for their peoples. These efforts cannot lead at once to spectacular results. It is a question rather at this stage of laying sound foundations for a steady but gradual improvement which must be spread over many years. The undertaking none the less offers real hope of economic progress and marks a turning-point in the long history of South and South-East Asia.

Some such development has, of course, been undertaken in the past both by Governments and by private enterprise—usually with the help of money put up by investors in Western Europe, particularly in Britain. Estates were planted with rubber and tea; tin-mines were opened up; modern railways and irrigation works were built; schools, training colleges and hospitals appeared in the area. But all this has done no more than scratch the surface.

Development on a much bigger scale is needed even to maintain present living standards in South and South-East Asia, let alone improve them. Consider, for instance, some of the figures in the following table. They show just how far the countries of the area are behind Britain and the United States in the provision of machines and equipment and the power to drive them.

LEVELS OF ECONOMIC DEVELOPMENT IN 1949

Unit per thousand population		INDIA	PAKISTAN	CEYLON	MALAYA	UNITED KINGDOM	UNITED STATES
Electricity Production	*thousand kWh*	13	1·9	9·6	117	1,033	2,296
Coal Consumption	*tons*	80	18	28	85	3,884	3,473
Steel Consumption	,,	3·8	1·3	6	16	194	361
Cement Consumption	,,	7·2	3·6	19	25	148	229
Carrying Capacity of Railway Wagons	,,	10	8·8	4·5	13	276	556
All-weather Roads	*miles*	0·32	0·1	0·87	0·93	3·7	2·2
Telephones	*nos.*	0·37	0·21	2·2	7·7	98	261

Note: Most of the figures for the United States refer to 1948.

The first stages of development are the most difficult and the most costly. Power-stations and irrigation works, roads, railways and ports are very expensive things, and they take a long time to complete. In recent times, moreover, the private investor has usually been reluctant to put his money into providing basic services of this kind because they take so long to bring a return. These are reasons why the ground-work of economic development in South and South-East Asia has got to be undertaken by Governments, and the Governments in the area are shouldering the main responsibility for tackling this problem—though there are many and growing opportunities for private enterprise as well.

It was with all these considerations in mind that Ministers of the Commonwealth countries, meeting at Colombo in January 1950, agreed that special attention was needed for the problems of South and South-East Asia and that these problems could not be solved by the countries of the area alone. The Commonwealth Governments took the lead because of their special ties with the area and because three-quarters of the people in the area live in Commonwealth countries. Later on it was hoped to bring in the other countries in the area and invite them to join on equal terms in any plan that might be worked out.

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The Plan

One of the most striking things about the programmes prepared by the Commonwealth Governments in the area is the realistic approach adopted; they are in fact largely made up of projects for which detailed plans have already been worked out. At the same time there can be no doubt that development is planned on a big scale. This is shown by the amount of money the Governments are proposing to spend over the next six years, and by some of the results they expect to achieve.

TOTAL COST, 1951-57: £1,868 MILLION

More than two-thirds of this is for India, rather over one-seventh for Pakistan. The remainder is divided about equally between Ceylon and the British-administered territories in the area (Malaya and British Borneo).

The purposes on which this money will be spent are shown in the chart on pages 36 and 37. Of the total, 34 per cent is for transport and communications; 32 per cent for agriculture (including river valley development schemes); 18 per cent for housing, health and education; 10 per cent for industry and mining (excluding coal); and 6 per cent for fuel and power.

SOME OF THE RESULTS EXPECTED

An increase of 13 million acres (3½ per cent) in land under cultivation.

An increase of 13 million acres (17 per cent) in land under irrigation.

An increase of 6 million tons (10 per cent) in food-grain production.

An increase of 1·1 million kWs (67 per cent) in electric generating capacity.

HOW THE JOB IS BEING TACKLED

The main emphasis in all the programmes (except for Singapore) is on agricultural rather than on industrial development, but the two often proceed hand in hand. In India, Pakistan and Ceylon, for instance, the generation of hydro-electric power is being combined with irrigation works and flood

control in giant projects for developing whole river valleys—on the lines of the Tennessee Valley scheme in the United States. One such project alone, on the River Sutlej in India, is expected to cost Rs 757 million—well over £50 million. Roads and railways too, which are a big item in all the programmes, are needed both by agriculture and industry.

Naturally enough, the different countries in the area have approached the problem of development in different ways because their needs are different. Pakistan, for instance, has at present practically no industry at all, and her programme therefore puts more emphasis than the others on industrial development; this accounts for about one-fifth of the expenditure allowed for in her programme, compared with an average of only one-tenth for all the programmes combined. Then again Ceylon and Malaya are at present exceptionally dependent on the export of a few products like rubber, tin, tea and coconuts, and they are aiming at broadening their economies by opening up new areas for food production. Singapore, as an international port with a large and growing population, is specially concerned with problems of health, education and housing.

A good deal of new development was under way in the area at the time of the Colombo conference, and the programmes of the Commonwealth countries include many projects on which work has already started. A considerable speeding-up in the present rate of development is now proposed.

THE COUNTRIES ARE DOING ALL THEY CAN

The Governments concerned are doing all they can to find within their own countries the money needed to pay for this development. Other forms of government expenditure are being cut down. Taxes are already very high and are now to be increased, although there is not much scope for getting extra revenue by this means. Individual thrift is being encouraged, especially in India, by national savings campaigns. In all these ways current consumption of goods and services is being limited in order that more can be set aside for constructing irrigation works, building new railways, power-stations and factories, and so on.

BUT HELP IS NEEDED FROM OUTSIDE

The plain fact of the matter is, however, that the countries of South and South-East Asia are too poor to provide out of their own resources for even the bare minimum of development needed to prevent living standards from falling further. No one could say that the present programmes are over-ambitious. India, for instance, has included only half the projects for which detailed plans have been prepared, and Pakistan's programme is limited to about 60 per cent of what the Government originally hoped to achieve. Even so, it is clear that the programmes cannot be carried out as planned unless some help can be obtained from outside the area.

The countries of South and South-East Asia need more trained men. To begin with, something over a thousand technical experts of one kind and

The Plan

One of the most striking things about the programmes prepared by the Commonwealth Governments in the area is the realistic approach adopted; they are in fact largely made up of projects for which detailed plans have already been worked out. At the same time there can be no doubt that development is planned on a big scale. This is shown by the amount of money the Governments are proposing to spend over the next six years, and by some of the results they expect to achieve.

TOTAL COST, 1951-57: £1,868 MILLION

More than two-thirds of this is for India, rather over one-seventh for Pakistan. The remainder is divided about equally between Ceylon and the British-administered territories in the area (Malaya and British Borneo).

The purposes on which this money will be spent are shown in the chart on pages 36 and 37. Of the total, 34 per cent is for transport and communications; 32 per cent for agriculture (including river valley development schemes); 18 per cent for housing, health and education; 10 per cent for industry and mining (excluding coal); and 6 per cent for fuel and power.

SOME OF THE RESULTS EXPECTED

An increase of 13 million acres (3½ per cent) in land under cultivation.

An increase of 13 million acres (17 per cent) in land under irrigation.

An increase of 6 million tons (10 per cent) in food-grain production.

An increase of 1·1 million kWs (67 per cent) in electric generating capacity.

HOW THE JOB IS BEING TACKLED

The main emphasis in all the programmes (except for Singapore) is on agricultural rather than on industrial development, but the two often proceed hand in hand. In India, Pakistan and Ceylon, for instance, the generation of hydro-electric power is being combined with irrigation works and flood



about all. The remaining 2 workers out of the 10 are employed in smaller industries, distribution and public services.

India produces over 30 million tons of coal a year, but practically all of this is mined in a single area of Bihar and West Bengal, and it is very expensive to transport it over long distances to other parts of the country. There is relatively little oil in India. On the other hand there are many great rivers which present enormous opportunities for developing hydro-electric power. The flow of water in these rivers varies greatly from one time of the year to another, and if this could be regulated, it would prevent seasonal flooding and soil erosion which drain away so much of the natural wealth of the country.

HARNESSING GREAT RIVERS

It is not surprising therefore that the Indian Government attach so much importance to schemes of river valley development, seven of

another—particularly engineers—are known to be wanted for work on specific projects included in the programmes of the Commonwealth countries. Others will certainly be wanted by other countries in the area.

The countries of South and South-East Asia also need to import more goods from abroad during the next six years than they can hope to pay for out of their own exports. They will want not merely machinery, equipment, vehicles, iron and steel, and other capital goods used directly for development. They will also want consumer goods, including food and clothing, for the workers on the job. These workers are too poor to save and they must have something on which to spend their new wages. So unless there are extra goods available, prices will be driven up, and there will be all the chaos of runaway inflation, with the discontent and unrest that always go with it.

More will be said later about these two needs—the need for trained men and the need for extra imports. Unless these needs can somehow be met, the rate of development must inevitably be slowed down.

Tackling the Job

The best way of seeing how development is going to work out in practice is to take a look at the programmes of the individual Commonwealth countries. They have all been framed on a realistic basis, and a good deal of the work is already in hand. Let us take India first.

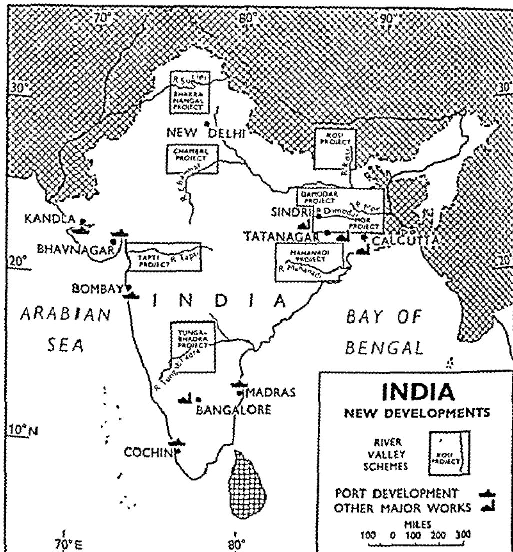
INDIA

THE COUNTRY'S RESOURCES

India has a population of nearly 350 million, and 7 workers out of every 10 depend on the land for their livelihood. There are a few big industries, but these provide employment for only 1 worker in 10. One of the most important is the cotton textile industry, which is centred mainly in the West at Bombay and Ahmedabad. Then there are the jute mills of Calcutta, the sugar factories in the towns of the Ganges Valley, and the great iron and steel works at Tatanagar, one of the largest in the world. The manufacture of cement and matches is also carried out on a *fairly large scale*, but that is



Most of the industry in South and South-East Asia is on a small scale. It is often associated with local agriculture, as is this coconut oil plant in North Borneo



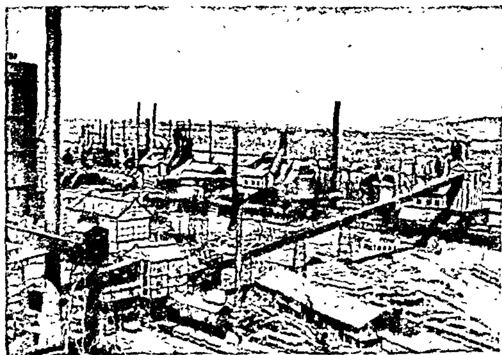
are already in hand. In the Damodar Valley in Bihar the river is being dammed in eight places, and hydro-electric plants are being built with a total capacity of 240,000 kilowatts ; the power generated here will help to open up the richest mineral basin in India. In addition the dams will provide water for a network of irrigation canals. The total cost of the scheme is estimated at Rs 500 million (£37½ million); work on the first dam was started in 1948 and will be completed by 1953. Then there is the project already mentioned for harnessing the River Sutlej, which will open up barren land for the resettlement of refugees and provide power for New Delhi and other cities in the North ; one of the dams to be built under this scheme will be almost as large as the famous Boulder Dam in the United States. A third project provides for the construction of a dam 150 feet high and 15,000 feet long across the Mahanadi River in the Eastern part of the country, and there will also be two hydro-electric plants with a combined capacity of 32,100 kilowatts. Altogether these three river valley schemes

A rubber factory in Ceylon. Nearly all the world's natural rubber is produced in South and South-East Asia; thousands of workers are employed in processing it



Pressing raw jute for packing into bales. This is one of several presses recently set up in East Pakistan, where more than four-fifths of all the world's jute is grown

India has a few large industries, but they provide employment for only one worker out of every ten. This picture shows operatives at work in a Bombay cotton mill



This iron and steel plant at Tatanagar in India, now to be extended, is one of the largest in the world. Yet India uses only 1 ton of steel for every 7 used in Britain

Pakistan's Prime Minister opens a new textile mill in Karachi. Special emphasis is placed in Pakistan's programme on the development of jute and cotton processing

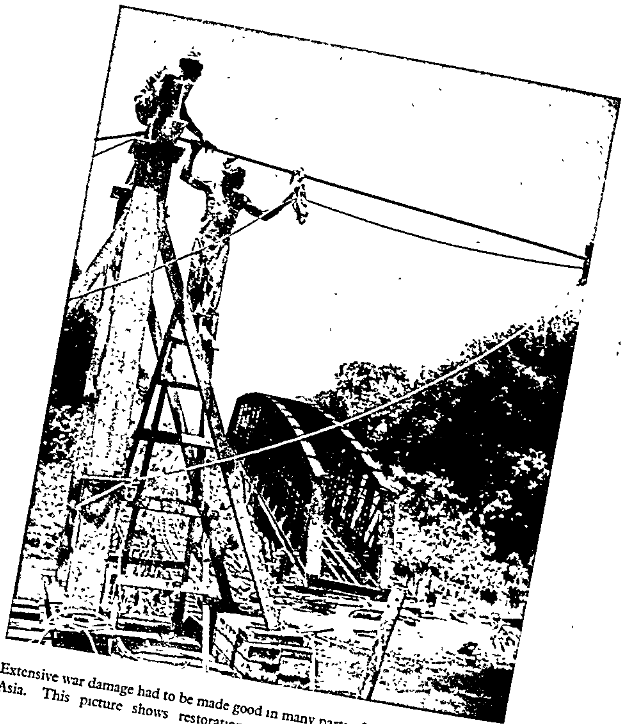
Building a reinforced concrete silo, 90 feet high and ¼ mile long, for India's new fertiliser plant at Sindri The silo will be air-conditioned to control humidity



Consignment of tin ingots at a Malayan port being checked for shipment to the United States. About half the world's tin is produced in Malaya and Indonesia

Repairing a road in Ceylon Over £600 million is to be spent in the next six years on transport and communications in Commonwealth countries in the area

India has seven times as many people as Britain, yet produces less than one-tenth as much electric power Generating capacity is to be raised by one-half by 1957

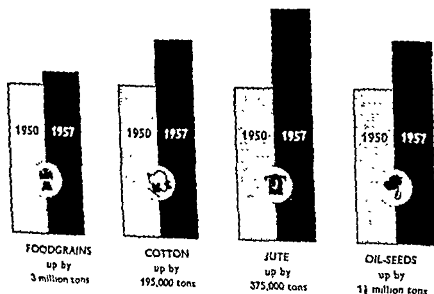


Extensive war damage had to be made good in many parts of South and South-East Asia. This picture shows restoration work on a railway bridge in Malaya

alone should bring another 6 million acres of new land under irrigation by 1957 and raise India's electricity generating capacity by some 700,000 kilowatts (total capacity at present is about 1,400,000 kilowatts).

BIG INCREASES IN PRODUCTION EXPECTED

In addition to the river valley schemes India has plans for a large number of local irrigation works. Peasants are being instructed in modern methods of cultivation, better seeds and fertilisers are being distributed, 14 new agricultural research and training institutes are being set up. By these and other means the Indian Government hope to achieve big increases during the next six years in production of some of the main crops.



This extra production should make India less dependent on imports of food, and at the same time it should help to increase exports both of the raw materials and manufactured products.

PLANS FOR TRANSPORT AND INDUSTRY

Agriculture, including the river valley projects, accounts for a third of all the money which India is proposing to spend under her development programme; transport and communications account for nearly another two-fifths. Thirty-six new railway lines are to be constructed; large sums

Survey work for the Konar dam in India's Damodar Valley—part of a Rs 500 million scheme combining irrigation, flood control and hydro-electric power

Early stages of the work on the Gal Oya river valley scheme in Ceylon. Giant projects like this take many years to complete and are usually undertaken by Governments

PAKISTAN
PRODUCTS
MILES
50 25 0 50 100 150 200
COAL
OIL
PESHAWAR
RAWALPINDI
COTTON
LAHORE
COTTON
QUETTA
COAL
MULTAN
COTTON
COAL
COTTON
HYDERABAD
KARACHI
COTTON
ARABIAN SEA
64°E
JUTE
SYLHET
JUTE TEA
DACCA
JUTE
TEA
CHITTAGONG
B OF BENGAL

PAKISTAN
DEVELOPMENT PROJECTS
MILES
50 25 0 50 100 150 200
MAJOR IRRIGATION SCHEMES
HYDRO-ELECTRIC SCHEMES
PORT DEVELOPMENT
OTHER MAJOR WORKS
DARGAI
WARSAK
MIANWALLI
RASUL
KARACHI
LOWER SIND BARRAGE
ARABIAN SEA
64 E
DACCA
CHITTAGONG
KARNAFULLI
B OF BENGAL

are to be spent on new locomotives and rolling-stock; a modern factory for making locomotives and boilers is being built near Calcutta. There will be a number of new trunk roads, and the existing ones are to be improved. An entirely new port is being built at Kandla on the West Coast, the neighbouring harbours of Sika and Bhavnagar are being developed, and the ports of Madras, Bombay and Cochin are to be modernised.

Industry's share of the development programme is much smaller—about one-tenth. Here one of the most important tasks is to increase production of iron and steel and engineering goods. Existing iron and steel works at Tatanagar and Calcutta are being extended, and there are plans for an entirely new integrated steel plant to be built in Madyha Pradesh (the Central Provinces). Work has started on a cement plant at Sindri in Bihar and on factories for the manufacture of aircraft (at Bangalore), machine tools, aluminium and various other products. India's first fertiliser factory was completed in 1945 in Travancore. Now a second, and much larger one, is nearly finished at Sindri; it will be capable of turning out 350,000 tons of fertiliser a year.

HOW LIVING CONDITIONS WILL BE AFFECTED

What difference will the programme make to the lives of ordinary people in India? At present the ration of cereals in many of the towns is limited to 12 ounces a day. *By 1957, as a result of the programme, it is hoped to raise this to 16 ounces. There should also be an increase in consumption of cotton cloth from an average of 10 yards a year for every person to an average of 15 yards.* At the same time many millions will benefit directly from the money which is being spent on social services under the programme. These account for nearly one-sixth of all expenditure on development, and high priority is being given to schools and to the resettlement and rehabilitation of displaced persons. Smaller sums have been allocated to building hospitals and dispensaries, new housing and slum clearance.

PAKISTAN

THE COUNTRY'S RESOURCES

There are 82 million people in Pakistan. The country is divided into Eastern and Western zones which are separated by 1,000 miles of Indian territory. Eight persons out of every ten depend upon agriculture for a living, and the most important products are rice, wheat, sugar, jute, oil-seeds, cotton and tobacco.

When Pakistan started its existence as a separate country in 1947, it was faced with very grave problems. There were seven million refugees to be taken care of, while large numbers of traders and professional men had left the country. Everywhere businesses were shut down, banking operations suspended and markets closed. Not only had a new administration to be set up, but the whole life of the nation had to be organised afresh.

PAKISTAN

PRODUCTS

MILES

50 25 0 50 100 150 200

COAL
PESHAWAR
OIL
RAWALPINDI
COTTON
LAHORE
COTTON
QUETTA
COAL
MULTAN
COTTON
COAL
COTTON
COTTON
HYDERABAD
KARACHI
COTTON
ARABIAN SEA
64°E
JUTE
SYLHET
TEA
DACCA
JUTE
CHITTAGONG
B OF BENGAL

PAKISTAN

DEVELOPMENT PROJECTS

MILES

50 25 0 50 100 150 200

MAJOR IRRIGATION SCHEMES
HYDRO-ELECTRIC SCHEMES
PORT DEVELOPMENT
OTHER MAJOR WORKS

DARGAI
WARSAK
MIANWALI
RASUL
KARACHI
ARABIAN SEA
64 E
DACCA
CHITTAGONG
KARNAFULI
B OF BENGAL

There is very little industry in Pakistan, and what there is has mainly been set up in the last few years. In 1947 there were practically no textile factories, and no jute mills at all—in spite of the fact that the country was responsible for over four-fifths of the world's jute production. Since then four new cotton mills have been completed by private enterprise, and a further twelve mills will shortly be in operation. Several jute presses have been imported into East Pakistan. A cigarette factory has been set up in Karachi, a large new sugar factory has been built and a number of other industries have been started, while some older ones have been developed.

Pakistan at present produces only about 324,000 tons of coal a year, and there is very little oil in the country. On the other hand there are great resources of hydro-electric power so far largely untapped ; present capacity is only 9,600 kilowatts, against a potential estimated at 5 or 6 million kilowatts.

AIMS OF DEVELOPMENT

The Government of Pakistan recognise that agriculture must continue to be the main occupation of the people, and the first objective of their development programme is to increase production of food and other important crops. Agriculture gets the largest single share of the expenditure proposed —about one-third of the total. At the same time large sums are being spent on setting up new industries and providing the power to run them.

PAKISTAN : HOW THE MONEY WILL BE SPENT

AGRICULTURE 32%
TRANSPORT & COMMUNICATIONS 20%
FUEL & POWER 18%
INDUSTRY & MINING 19%
SOCIAL SERVICES 11%

GETTING MORE OUT OF THE LAND

Roughly 100 miles from the mouth of the Indus a great barrage is being built across the river. There will be 44 spans of 60 feet each, and the water will be fed off to irrigate an area of nearly 3 million acres. Over 500 miles away, in the West Punjab, another 700,000 acres are to be irrigated by means of 1,800 tube-wells, which will be worked by electricity generated from a new hydro-electric plant at Rasul; this same project will also help in draining the water away from large areas nearby which are at present waterlogged.

These are the two largest schemes in Pakistan's programme. There are also many smaller ones for improving methods of cultivation, providing better seeds and fertilisers, and making more use of machines on the land. The objective is a rise of one-third in agricultural output by 1957, with particularly large increases in food crops produced for sale. Production of oil-seeds should be increased by 220 per cent, fruits by 90 per cent, sugar-cane by 70 per cent, vegetables by 68 per cent, cotton by 27 per cent, cereals and pulses by 17 per cent, and jute by 10 per cent.

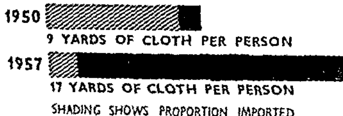
NEW INDUSTRIES AND POWER TO RUN THEM

The main emphasis in the programme is placed on jute and cotton processing and the manufacture of paper; Rs 390 million (over £40 million) is to be spent on developing these industries alone.

Six jute mills are to be built, with an annual output of 130,000 tons; this should be enough to supply the home market and leave something over for export.

Present output of cotton goods, which is only 100 million yards a year, is to be raised to 450 million yards in the near future and to 1,350 million yards by 1957. By these means consumption can be nearly doubled, while imports will be reduced to one-quarter of their present level.





The programme provides for the building of a paper mill near Chittagong which will use local raw materials and produce 30,000 tons a year. In addition certain other smaller industries will be developed, among them sugar, pottery, glass, chemicals and fertilisers.

Power for these industries will come from twelve new stations, including two big hydro-electric plants at Warsak and Karnafuli which are included in river valley development schemes. In all Rs 450 million (nearly £50 million) is to be spent on electric power over the six years, and the country's total generating capacity should be increased from 70,000 kilowatts to about 325,000. Rs 20 million, or over £2 million, will also be spent on raising coal production from the present low level of 324,000 tons a year to 3 million tons a year

BUILDING A BIGGER PORT AT CHITTAGONG

Biggest single project in transport is the extension of the port of Chittagong in East Pakistan, which is necessary to increase the flow of jute exports. At the time of partition the port could handle only 600,000 tons of goods a year. Capacity has now been raised to 1,800,000 tons, and a further increase to 4,000,000 tons is planned. A new dry dock is to be built at Karachi. On the railways large sums are to be spent on repairing and replacing worn-out engines and rolling-stock. Telephone and telegraph services are being extended.

EDUCATION AND WELFARE

In expenditure on social services high priority is being given to education. Plans for new buildings include over 4,460 primary schools, 1,456 middle schools, 400 high schools, 15 teachers' training schools and 2 training colleges. Provision is also made in the programme for setting up a number of technical institutes and research laboratories and for giving scholarships for training abroad in scientific and technical subjects.

Health and medical services are to be extended by the provision of 600 new dispensaries in the villages and a further 600 mobile dispensaries. In addition 120 new hospitals are to be built. Housing plans include the development of new residential areas and townships and the building of prefabricated houses for refugees.

CEYLON

BROADENING THE ECONOMY

Ceylon's population, now 7½ million, is increasing at the rate of 200,000 a year, and more food is the country's first need. At present two-thirds of the rice eaten in the Island has to be imported from abroad.

The main reason why so little food is grown in the Island is that two-thirds of all the land under cultivation is taken up with the production of three main export crops—tea, rubber and coconut. Through specialising in these crops Ceylon has been able to enjoy a higher standard of living than most other countries in South and South-East Asia, but it is very dangerous for any country to be so dependent on the export of a small number of products—particularly when the prices these products fetch in world markets are continually going up and down.

The main objective of Ceylon's development programme is therefore to broaden her economy by increasing production of food for local consumption and by providing more employment in industry.

PLANS FOR AGRICULTURE

Land development projects are much the most important part of Ceylon's programme, accounting for over one-third of total expenditure.

CEYLON: HOW THE MONEY WILL BE SPENT

AGRICULTURE 37%

TRANSPORT & COMMUNICATIONS 22%

POWER & INDUSTRY 14%

HOUSING, HEALTH & EDUCATION 27%

Two-thirds of the population at present live in the wet zone in the West and South-West of the Island, and steps are now being taken to open up the more thinly populated dry zone in the East and North Centre. This should enable the acreage under food crops to be increased by at least one-fifth during the six years, *with a resulting rise in the production of rice from* 187,000 *tons in* 1949-50 *to over* 250,000 *tons in* 1957.

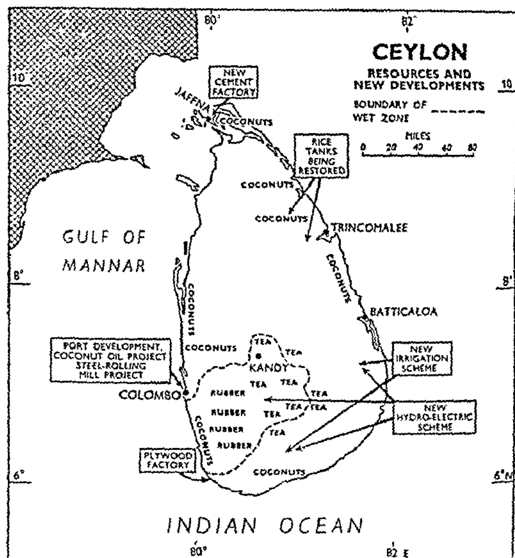
Much work is involved in clearing virgin jungle and providing irrigation. The biggest project that has been started is the Gal Oya river valley development scheme in the Eastern Province which is expected to cost in all about Rs 400 million (£30 million); it will not be completed until 1962. A big dam will store water for irrigating 100,000 acres at present under jungle and for improving the irrigation of 30,000 acres already under cultivation; it is hoped that 21,000 peasant holdings will be provided in the new area. A similar project on the Walawe Ganga River, which has not yet been started, will irrigate 40,000 acres of new land, besides ensuring a regular supply of water to 13,000 acres of existing paddy-fields. The dam will help to prevent floods in the valley and will enable 10,000 kilowatts of hydro-electric power to be generated on the spot.

DEVELOPING THE PORT AT COLOMBO

The Ceylon Government are giving high priority in their programme to a scheme for developing the great international port at Colombo. The work will be carried out in four stages, and altogether new berths for more than thirty ships will be provided alongside the wharves; these will be equipped with modern equipment for the rapid handling of cargo. The outer harbour is to be enlarged so that more ships can anchor there.

NEW INDUSTRIES

There is very little industry in the Island at present, but plans are afoot for a big new fertiliser plant capable of producing 80,000 tons of ammonium sulphate and 35,000 to 45,000 tons of superphosphate a year. The programme also includes a new factory for the extraction of coconut oil and a second for the manufacture of caustic soda from salt produced locally.



A number of other plants are being extended and reorganised, among them a steel-rolling mill and factories for the manufacture of plywood, glass and pottery.

SOCIAL SERVICES

Here the main emphasis is on schools and hospitals. Standards in education are already very high, and there is free education up to and including the university ; nearly 7 out of every 10 people in the Island can read and write. A large number of old school buildings, however, need to be replaced, and new schools are being built.

The present hospital capacity of 2·7 beds per thousand is to be doubled during the six years. In this connection it is worth noting that malaria has been almost completely eliminated from the Island since the war—a very remarkable achievement.

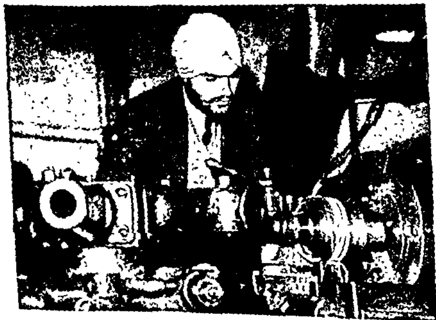


Plant-testing at an agricultural research station in Malaya. Better methods of cultivation and use of better seeds can do much to raise productivity on the land

The University College of Science in Calcutta is helping to train men for skilled jobs in agriculture and industry. This is a picture of one of the laboratories

A bio-chemist working for the Tea Research Institute in Ceylon. Many more scientists and technicians are needed in South and South-East Asia today

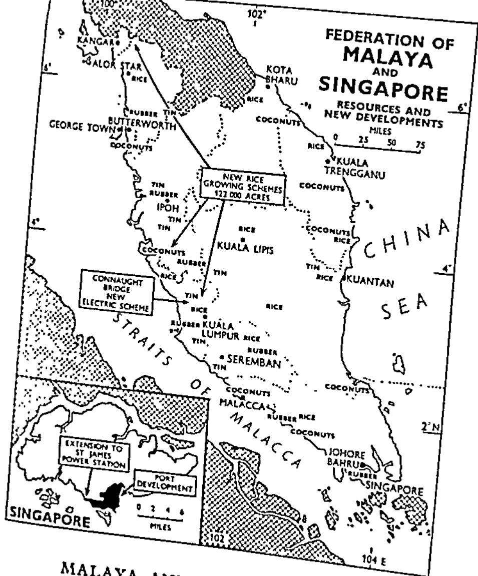
Students at the University of Malaya, Singapore. An amalgamation of two older colleges, the University received a Charter in 1949 and serves the whole of Malaya



India and Pakistan send many of their engineers abroad for training. Here is a Sikh student examining machinery at a government training centre in Britain



hout rice nothing can succeed " So runs a Malay proverb, and it sums up
ost urgent of all the needs of ordinary folk in South and South-East Asia



MALAYA AND BRITISH BORNEO

BIRD'S-EYE VIEW

The Federation of Malaya, Singapore, North Borneo and Sarawak are four separate territories with a combined population of nearly 7 million; roughly 5 million of these live in the Federation and 1 million in Singapore. There is very little industry in these countries apart from the tin mines in Malaya and the oilfields in British Borneo. The great majority of the people work on the land, but fewer than 8 acres out of every 100 are under cultivation, the rest being mostly jungle. The main crops are rubber (3,700,000 acres), rice (over 1,000,000 acres) and coconut (700,000 acres).

Development in large parts of Sarawak and North Borneo has only just begun. In the Federation of Malaya and Singapore, on the other hand, the standard of living has reached a somewhat higher level than is to be found in the surrounding countries.

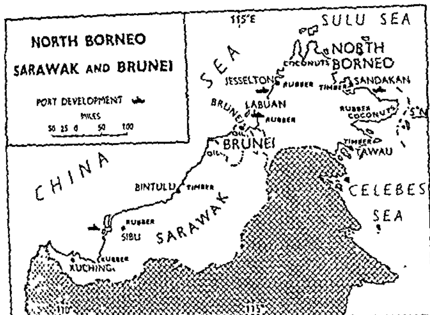
The first aim of development is to broaden the economies of these territories by increasing output of rice and other agricultural products. At the same time, to pave the way for setting up new industries, considerable sums are being spent on power-stations and transport. The Connaught Bridge Power Station in Malaya is the biggest single project in this field, and the work is already well advanced ; its eventual capacity will be 80,000 kilowatts. Roads are being improved, and the railway up the East coast of Malaya is being restored after being taken up during the war by the Japanese.

RUBBER AND RICE IN MALAYA

The Federation programme concentrates first and foremost on increasing production of the two main crops in the territory, rubber and rice. There are some 350,000 rubber smallholdings, averaging about 3 acres each, on which the trees are old and yields are falling. If the old trees could be replaced by better types, the yield per acre could be trebled. The trouble is, however, that the new trees would take seven years before beginning to yield, and the smallholders cannot afford to lose part of their present income by destroying some of the existing trees—quite apart from the technical difficulties of replanting part of a smallholding. The Government can help to tackle this problem in a number of ways. In some places, for instance, new land can be cleared and planted with high-yielding trees, so that smallholders can be settled there later on. Alternatively, a number of smallholdings can be grouped together and part of the area replanted. Loans will also be made to the larger producers of rubber and other crops to help them to develop their estates.

The Federation at present produces only about 400,000 tons of rice a year, out of a total consumption of 1,000,000 tons. Steps are being taken to increase yields by providing irrigation, drainage, better strains and protection against pests. At the same time new rice-lands are being opened up, some of which may be suitable for mechanical cultivation ; pilot schemes are at present being undertaken to find out what can be done on these lines. All these measures, however, will do little more than keep pace with the increase in population, and the Federation will continue to depend on imports for a large part of its rice supplies.

Apart from developments in agriculture, power and transport, the Federation is spending large sums on education, housing and health ; the social services in fact are the largest of the four main sectors of the programme. The need for more schools and teachers is particularly urgent ; at present only one child out of every three of school age receives any kind of schooling.



SPECIAL NEEDS OF SINGAPORE

Singapore is one of the great ports of the world and lives mainly by trade. The island is densely populated and has some industry, but very little agriculture. A large proportion of the people live in slums, where there is serious overcrowding. This explains why half the expenditure in the development programme is for education, health services and housing, including the extension of water supplies and sewerage. *The Government aim to provide free, universal and compulsory education for children of school age by 1960, and there are plans for an extra 3,000 hospital beds.* New houses will eventually be needed for anything up to half a million people.

A new power station is being built on the island. There is also to be an international civil airport, and the docks are being enlarged.

RECONSTRUCTION IN BRITISH BORNEO

North Borneo suffered heavy damage during the war, and much of this damage has *still to* be made good. The development programme provides therefore for the *reconstruction* of buildings, ports and railways, as well as for general improvements in agriculture, transport and social services. In Sarawak communications are being improved, better methods of *rice* cultivation are being encouraged, and surveys are being carried out to discover the full extent of the country's natural resources.

Brunei, a small Protected State which lies between North Borneo and Sarawak, is able to pay for its development programme out of its own revenues, which are derived largely from oil royalties. Development is, however, being hindered by a shortage of trained men.

Development in large parts of Sarawak and North Borneo has only just begun. In the Federation of Malaya and Singapore, on the other hand, the standard of living has reached a somewhat higher level than is to be found in the surrounding countries.

The first aim of development is to broaden the economies of these territories by increasing output of rice and other agricultural products. At the same time, to pave the way for setting up new industries, considerable sums are being spent on power-stations and transport. The Connaught Bridge Power Station in Malaya is the biggest single project in this field, and the work is already well advanced ; its eventual capacity will be 80,000 kilowatts. Roads are being improved, and the railway up the East coast of Malaya is being restored after being taken up during the war by the Japanese.

RUBBER AND RICE IN MALAYA

The Federation programme concentrates first and foremost on increasing production of the two main crops in the territory, rubber and rice. There are some 350,000 rubber smallholdings, averaging about 3 acres each, on which the trees are old and yields are falling. If the old trees could be replaced by better types, the yield per acre could be trebled. The trouble is, however, that the new trees would take seven years before beginning to yield, and the smallholders cannot afford to lose part of their present income by destroying some of the existing trees—quite apart from the technical difficulties of replanting part of a smallholding. The Government can help to tackle this problem in a number of ways. In some places, for instance, new land can be cleared and planted with high-yielding trees, so that smallholders can be settled there later on. Alternatively, a number of smallholdings can be grouped together and part of the area replanted. Loans will also be made to the larger producers of rubber and other crops to help them to develop their estates.

The Federation at present produces only about 400,000 tons of rice a year, out of a total consumption of 1,000,000 tons. Steps are being taken to increase yields by providing irrigation, drainage, better strains and protection against pests. At the same time new rice-lands are being opened up, some of which may be suitable for mechanical cultivation ; pilot schemes are at present being undertaken to find out what can be done on these lines. All these measures, however, will do little more than keep pace with the increase in population, and the Federation will continue to depend on imports for a large part of its rice supplies.

Apart from developments in agriculture, power and transport, the Federation is spending large sums on education, housing and health ; the social services in fact are the largest of the four main sectors of the programme. The need for more schools and teachers is particularly urgent; at present only one child out of every three of school age receives any kind of schooling.

India, Pakistan, Ceylon and Malaya are already sending as many of their students abroad as they can afford. Many of them go to Britain, and in 1948-9 there were 860 students from India, 110 from Pakistan, 170 from Ceylon and 113 from Malaya on the rolls of universities and university colleges in the British Isles—quite apart from a probably even larger number of students from South and South-East Asia who were attending other technical and training colleges. Australia, New Zealand and Canada also provide university places for Asian students. India herself has a scheme for granting scholarships in her universities to students from other countries, and 65 such scholarships were awarded in the academic year 1949-50.

The Commonwealth countries are seeing what they can do to widen the opportunities for study and research abroad, particularly in agriculture, medicine, engineering and education. India alone wishes to send 3,000 people abroad to study these subjects in the next six years. As an example of what can be done, the Australian Government are proposing in 1951 to grant an extra 150 fellowships and to arrange for several groups of technical students to visit Australia; plans are already being worked out.

GETTING EXPERTS FROM OVERSEAS

The training of technicians is a slow process. In the meantime a large number of highly qualified experts are urgently needed by the countries of South and South-East Asia for work on development projects, and the only hope of getting them is by recruitment overseas. It is impossible to say at this stage exactly how great the demand will be over the next six years, but preliminary estimates suggest that approximately 1,300 overseas experts will be wanted in the area by the Commonwealth countries alone if their programmes are to go forward as planned. This total includes about 740 engineers, 95 agricultural experts and 80 medical specialists. Some of these men will be wanted for three or four years, others only for a few months, but the number required at any one time during the six years may well be anything between 500 and 750.

The countries in the area are already getting part of the technical assistance they need through the employment, whether by Governments or private enterprise, of overseas contractors and consulting engineers. The most difficult problem is that of recruiting overseas experts for government service in the area, particularly when the expert is wanted only for a few months.

SCHEME FOR TECHNICAL CO-OPERATION

It was at Sydney in May 1950 that the Commonwealth countries decided to start a Scheme for Technical Co-operation in South and South-East Asia and agreed to contribute up to £8 million towards its cost over the three years beginning in July 1950. A Council is to be set up to run it, assisted by a Bureau with its headquarters in Colombo. The main job of the organisation will be to find out what the countries in the area are looking for in the way of

Two Main Needs

The plans that have been made for tackling the problem of economic development in South and South-East Asia show that the Governments in the area are determined to do everything they can to fight against the evils of poverty, hunger, illiteracy and disease. How much they can do in the next few years will depend primarily on two things. How many trained men are going to be available in the area to help in putting the schemes into practice? What extra supplies of machinery, equipment, materials, clothing and food will these countries be able to obtain from abroad, over and above what they can pay for themselves?

THE NEED FOR TRAINED MEN

There is an acute shortage of experts of all kinds in South and South-East Asia, particularly of engineers and agricultural specialists. There are three ways of overcoming this shortage:

1. By training more people in the area.
2. By providing training overseas for more people from the area.
3. By obtaining more trained men from abroad.

TRAINING IN THE AREA

There are many people in South and South-East Asia who are skilled in village crafts and in working as individuals with simple tools, using traditional methods. There are few, however, who have had any training in large-scale industrial production or in applying modern techniques to agriculture. It is not simply a question of the top-grade expert. Hundreds of these will certainly be wanted, but so too will thousands and thousands of foremen and skilled and semi-skilled workers, who must be trained locally—and even in the case of the most highly skilled technicians it will often be more satisfactory to provide training inside the area.

In 1949 there were just over 3,000 universities, technical training colleges and trade schools in the Commonwealth countries of South and South-East Asia, and they were turning out about 150,000 trained men a year. By 1957 it is hoped to increase the number of institutions to 3,670 and the output of trained men to nearly 200,000.

The Commonwealth countries in the area reckon that over the next six years they will need altogether to import goods to the value of nearly £1,100 million beyond what they will be able to pay for out of their own current exports. This is not, of course, an exact estimate, and it could easily be upset by unforeseen events. If, for instance, there should be any sharp fall in world demand for the products of South and South-East Asia, it would be very much more difficult for the countries to find the means of paying for their imports, and they would then need more help from outside. The figures for the individual countries are as follows: India £818 million; Pakistan £145 million; Ceylon £60 million; Malaya and British Borneo £61 million; TOTAL £1,084 million.

HOW ARE THESE EXTRA IMPORTS TO BE PAID FOR ?

There are five main ways in which the money might be found :

1. *Out of the overseas assets which the countries in the area themselves possess* (in particular, the sterling funds which some of them built up in London during the war). India, Pakistan and Ceylon expect to draw on these funds up to a total of £246 million during the six years. In so far as they do so, it will mean that Britain will ultimately have to supply goods to this value from her own production, thus in effect repaying in kind a further instalment of her wartime debts.

2. *Out of money put up by private investors abroad for use by private enterprise in the area.* It is too early to say how much may be expected from this source, but the opportunities for private enterprise in South and South-East Asia should increase as the development programmes get under way.

3. *Out of money lent by private investors abroad to Governments in the area,* for example, by subscribing to loans floated in London and other important financial centres. Investors in London are being invited to lend money for many other purposes; this will limit the amounts that can be borrowed there by the Governments of South and South-East Asia. There should, however, be scope for raising funds in private capital markets elsewhere.

4. *Out of loans from the International Bank for Reconstruction and Development.* This is a very important source of funds. The Bank has already lent $62½ million to India for particular development projects (including the Damodar Valley scheme) and is at present negotiating loans to Thailand of the order of $15 to $20 million. It is hoped that the Bank will consider the possibility of making further loans for development in the area.

5. *Out of gifts and loans from Governments outside the area to Governments inside it* It is very unlikely that the four sources already mentioned will provide all the money needed from outside to enable the Governments of South and South-East Asia to carry through their development programmes. Help will therefore be needed also from other Governments. The Governments of the Commonwealth countries outside the area are seeing what they can do, but the task is plainly too big for them to tackle alone. The co-operation of other countries is needed too.

overseas experts and training facilities and to see what can be done to help them. At the same time the Council will assist these countries to extend their own facilities for training—for instance, by providing them with books, visual aids and other equipment for use in training schools.

The Council for Technical Co-operation will not be the only body working in this field. The United Nations and its Specialised Agencies are already doing much to help individual Governments all over the world to find the trained men they need, and only recently the decision was taken to expand the United Nations Technical Assistance Programme. Funds totalling $20 million have been voted for this purpose, and roughly one-fifth of this will be contributed by the Commonwealth countries. The United States will also be in a position to provide technical assistance under the 'Point Four' programme. So acute, however, is the shortage of trained men in South and South-East Asia that there is more than enough work for all these organisations. The Council for Technical Co-operation will keep in close touch with the United Nations to prevent any overlapping and to make sure that the limited number of trained men available to the area are employed to the best advantage.

THE NEED FOR EXTRA IMPORTS

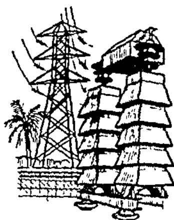
The productive power and material well-being of any country depend to a large extent upon its 'capital equipment'—that is to say, upon the quantity and quality of its machines, power-stations, factories, railways, roads, ports and so forth. As we have seen, the main reason why present standards of living in the countries of South and South-East Asia are so low is because they have so little machine-power to help in producing goods.

The countries in the area are now planning to provide themselves with more and better capital equipment. One way in which they can try to do this is by saving more, that is, by restricting consumption at home in order to devote a larger part of their existing resources of labour, materials and equipment to making additional capital equipment—or to providing exports to pay for imports of capital equipment they cannot make for themselves. The trouble is, however, that the peoples of South and South-East Asia are so poor that there is no margin at all for any further lowering of living standards, and there is therefore a definite limit to the amount of their own resources which they can spare for providing capital equipment.

Does this mean that they will have to abandon, or at least slow down, their plans for development? Not necessarily. They will be able to go ahead with these plans if means can be found whereby they can get the extra imports they need without having to pay for them out of their current production. It is not simply a question of importing more capital goods, though that is, of course, essential. The countries will also need more food, clothing and other consumer goods for the workers engaged on the development projects, for unless extra goods are available for the workers to spend their pay on there is bound to be inflation.

be spent in six years





results expected

6 Million tons	1·1 Million kW
more	more
(10 per cent)	(67 per cent)
food	electricity
grain	generating
production	capacity

£1,868,000,000 will





these are

13 Million acres	13 Million acres
more	more
($3\frac{1}{2}$ per cent)	(17 per cent)
land	land
under	under
cultivation	irrigation

CONCLUSION

IN THIS BOOK we have examined the problem of economic dev-' , in South and South-East Asia and we have seen why it is a matter of concern to ordinary men and women all over the world. We have seen, how a new approach has come to be made to this problem since the . how the Governments in the area have drawn up plans for a great sustained campaign against hunger and poverty.

Some of the plans have been briefly described. They are big plans, they show how seriously the Governments in the area are taking responsibilities for the well-being of their peoples. Nevertheless, of less than £2,000 million which these countries are proposing to development in the next six years seems small when measured against needs of the area or against the scale of development in Western . North America.

It is clear, however, that even such a limited and realistic this cannot be carried out unless the countries of South and South-Asia get help from outside. They need more trained men. They need extra supplies of many different kinds, among them railway engines, tractors, lorries, machinery, electrical equipment, iron and fertilisers, food and textiles.

If this help is forthcoming, there is real ground for hope that the peop of South and South-East Asia will gradually succeed in winning for selves a higher material standard of living than they have known in the . A long road lies ahead of them, and there are many difficulties and to be overcome, but with the support and encouragement of the other peoples of the world they will surely prove equal to the challenge and the measure of prosperity and well-being which is their due.